

NEPAL BIENNIAL COUNTRY PROGRAMME REVIEW (2006-2007) REPORT

27 November 2007

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Abbreviations and Acronyms

ADB	Asia Development Bank
BCPR	Biennial Country Programme Review
CPA	Comprehensive Peace Agreement
CPN/M	Communist Party of Nepal/Maoist
DAC	Development Assistance Group of the Organisation for Economic Cooperation and Development
DDR	Demobilisation, Disarmament and Reintegration
DWCP	Decent Work Country Programme
GoN	Government of Nepal
ILO	International Labour Organisation
NPADW	National Plan of Action for Decent Work
RO-Bangkok	ILO Regional Office for Asia and the Pacific
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNMIN	United Nations Mission in Nepal

1 Executive Summary

The ILO Regional Office for Asia and the Pacific (RO-Bangkok) in consultation with the ILO Kathmandu retained Scanteam¹ to conduct the Biennial Country Programme Review (BCPR) of the Decent Work Country Programme (DWCP) in Nepal. The Consultant was accompanied on mission by an Evaluation Officer from the Bangkok Regional Office. The Terms of Reference direct the Review Team to: conduct a general review of ILO's biennium programme in Nepal, and; recommend strategies for the formulation of the next DWCP.

The review found that the Nepal programme environment has changed fundamentally, moving from violent conflict into a transition period with the signing of the Comprehensive Peace Agreement (2006). As a consequence, the April 2006 internal draft of the *Decent Work Country Programme Framework for Nepal* (2006-2007) was not finalised. Many of the objectives and analytical assumptions on which the DWCP was based were no longer valid and/or in need of revision and prioritisation. As well, the priorities and requests of the ILO's Constituents shifted to focus on CPA implementation, as did the United Nations Development Assistance Framework (UNDAF) 2008-2010.

In the absence of a finalised DWCP document, the review considered: DWCP activities presented in the draft and under implementation; the ILO's response to Nepal's the post-CPA transition, and; the strategy, objectives, relationships and activities being pursued. The overall ILO programme in Nepal was rated as **Satisfactory to Moderately Satisfactory**. The ratings by specific performance indicators are as follows:

Performance Factors for General Findings (Annex One)	Rating
Relevance of the Bi-annual Plan	Satisfactory to Moderately Satisfactory
Strength of the ILO's Partnerships	Satisfactory to Very Satisfactory
Monitoring for Results	Moderately Satisfactory
Efficiency and adequacy of the ILO's organisational arrangements	Moderately Unsatisfactory
Knowledge Management and Sharing	Satisfactory to Moderately Satisfactory

Performance Factors for Outcome-Specific Findings (Annex Two)	Rating
Resource Adequacy	Moderately Satisfactory to Moderately Unsatisfactory
Delivery of Outputs	Satisfactory
Use of Outputs by Partner Groups	Satisfactory to Moderately Satisfactory

¹ A consulting firm based in Oslo, Norway

Progress Made	Satisfactory to Moderately Satisfactory
Management of Emerging Opportunity	Moderately Satisfactory
Management of Emerging Risk	Moderately Unsatisfactory

There was clear evidence that the ILO is adapting to changes in the Nepal programme environment. Activities support key areas of CPA implementation and related processes. They have been developed at the request of, and in close collaboration with ILO Constituents. The ILO is also being asked to play convening and facilitation roles, based on the perception of Constituents that it is an impartial and trusted counterpart, offering high quality technical services.

Performance of the Nepal Country office in the changing context is being constrained by three factors: The political volatility and risk inherent in post-conflict environments; the absence of an approved post-CPA programme document and strategic framework for decision-making and priority setting, and; the need to adjust human, financial and institutional support frameworks to the new situation.

Looking forward to the next biennial plan, there are significant opportunities for the ILO in Nepal to contribute towards CPA implementation, and related processes. The next plan should focus around three objectives:

- Implementation of the 2006 Comprehensive Peace Agreements, and support to related processes.
- Development and implementation of the Government's three-year interim plan, which integrates many requirements of the peace process.
- Creating opportunity for broad inclusion of ILO Constituents and social groups in CPA implementation and related policy development.

Key issues addressed in the CPA appear at the core of the ILO's mandate, normative responsibilities and competencies. Identified during the review were: *technical support to policy development and social dialogue* in the areas of *labour market reform*; *labour market flexibility* and the design of a Nepal model that could combine flexibility with social protections, and; *strengthening the industrial relations system*. *Employment generation* could be the framework for ILO in support of the "Reintegration" element of DDR. *Youth employment* and the *Youth National Action Plans* were also identified as essential, noting Nepal's demographic profile and high youth unemployment.

To contribute effectively, the ILO will need to take an approach that is differentiated from programming in stable environments. The human and financial resource profile of the Nepal office should be adjusted to ensure to it has the appropriate skills for policy and convening activities. Bridging financing may be required for the Nepal office to engage "upstream" activities as there tends to be fewer resource mobilisation opportunities. Finally, the ILO as an institution needs to clarify its policy on work in post-conflict/crisis situations, and strengthen forms of support for Country Offices programming in those contexts. There was little or no evidence that the Nepal Country office has received such support.

1.1 Summary of Recommendations

- a. The ILO should regularly update its analysis and assumptions about the programme context in Nepal, to ensure the relevance and effectiveness of its programmes and avoid any negative impact on conflict dynamics. The analysis should build on the work of other UN agencies.
- b. Prior the drafting of the next DWCP, the ILO's *Crisis Response and Reconstruction* programme should identify what resources and assistance it can provide, including in the areas of conflict analysis, the concrete application of lessons learned from other ILO programmes in conflict affected environments and results monitoring.
- c. The existing Country Plan results matrix should be updated before the end of 2007, to ensure that all activities are included and that all deliverables are considered.
- d. The next ILO Nepal Country Programme should focus on supporting implementation of the CPA as its first priority, consistent with the objectives of ILO Constituents and the UNDAF.
- e. The ILO Nepal should focus on “upstream” interventions, related the development and implementation of policy in the areas of labour market reform, employment and livelihood generation and youth.
- f. The ILO should consider requests from Constituents to play a role convening related processes of social dialogue and capacity development as a core part of its next plan.
- g. The ILO Nepal should avoid project implementation, unless it is directly related to upstream interventions, as pilots for scale up, policy research or otherwise.
- h. The human and financial resource profile of the Nepal Country Office should be revised to ensure that it has the capacity needed to play policy development, technical assistance, analytical, capacity development and convening roles.
- i. The ILO should review its institutional framework for working in post conflict/crisis situations. In particular, Country Programmes such as Nepal require support that is differentiated from what the ILO provides in stable environments.
- j. A special fund to support programming in post-conflict environments could be situated in the ILO's *Crisis Response and Reconstruction* programme, or other appropriate department. The Fund would provide flexible and rapidly allocated resources to meeting funding gaps in transitional situations such as Nepal.

2 Introduction and Methodology

2.1 Changes in the Nepal Programme Environment

The ILO's Country Office in Nepal drafted a *Decent Work Country Programme Framework for Nepal* (2006-2007) as an internal document. The draft was presented in April 2006. Since then, there have been fundamental changes in the programme environment:

- Wide-spread social protest in April 2006 produced a change in government. The movement brought an end to direct rule by the Nepalese monarchy and the restoration of Parliament. It also moved the concerns of social groups onto the political agenda.
- Nepal's thirteen-year civil conflict came ended with the signing of the Comprehensive Peace Agreement (CPA) in November 2006, between the seven-party alliance and the Communist Party of Nepal/Maoist (CPN/M).
- Key elements of the CPA included integration of the Maoists in the political mainstream as a legal party, formation of an Interim Government, to be followed by elections in June 2007 for a Constituent Assembly that would write a new constitution.
- There were strong expectations in Nepalese society that the change in government and end to the conflict would bring tangible benefits to their lives, including both material benefits and participation in the political process.
- Implementation of the CPA is being supported by the United Nations Mission in Nepal (UNMIN) and by United Nations agencies, many of whom were present in Nepal throughout the conflict.²
- The Government of Nepal (GoN) was developing a Three-year Interim Plan to address "the spirit of the [2006] People's Movement" and "issues specific to the transitional period in a post-conflict situation (GoN 2007). For UN agencies, the new UNDAF (2008-2010) was being finalised (UNCT 2007b), also with a focus on consolidating the CPA.

The April 2006 DWCP internal document was not finalised, as a result of these factors and others. Some of the objectives, analytical assumptions and programme activities were no longer valid or needed revision and prioritisation. As well, the orientation of requests coming from ILO Constituents changed as they also responded to the new situation.

² United Nations Mission in Nepal (UNMIN), SC Res 1740, 23 January 2007

2.2 The Biennial Country Programme Review Nepal

The ILO Regional Office for Asia and the Pacific is responsible to coordinating the Biennial Country Programme Review (BCPR). Terms of reference are included as Annex Two to this report. Field work was conducted in Kathmandu between 02 and 07 September 2007. The Scanteam consultant³, Mr. David Gairdner, was accompanied on mission by Ms. Pamornrat Pringsulaka, Evaluation Officer from the RO-Bangkok.

The Review Team followed the methodology outlined in the Terms of Reference:

- A review of programme documentation prior to the field study
- Interviews in Kathmandu with 33 informants from the ILO Country Office, other members of the international community (UN agencies, UNMIN and Donors), and ILO Constituents from government, labour unions and organisations in civil society.
- An end-of-mission Constituent Workshop held in Kathmandu on 07 September 2007.
- Drafting and revision of the report, with input from stakeholders.

2.3 Methodology Challenges

The fluid political situation and lack of an approved DWCP required several adjustments to the methodology:

- The BCPR assessment was conducted against activities outlined in the Bi-Annual Plan.
- The absence of a DWCP document meant it was not possible to work from a strategic framework, outlined in an approved and public document. Instead, the Review Team made reference to the draft DWCP, the Bi-annual Plan, other internal and project documents, as well as the analysis of ILO Country Team members.
- It not possible to ask key stakeholders in detail about the design, logic and strategies of DWCP.
- Most stakeholders were focused on the future and CPA implementation. These issues were at the centre of the concerns and programmes of ILO Constituents. The Review Team, therefore, placed a greater than expected emphasis on future programme strategy and options.

It was possible for the Review Team and members of the ILO Country Team to complete the rating methodology from the BCPR guide. However, it was often difficult for Constituents to make subjective assessments. Most Constituents were not aware of overall ILO country programme, rather being most familiar with the ILO in the context of their own relationship.

³ a consulting firm based in Oslo, Norway

2.4 Acknowledgements

The Review Team would like to acknowledge the support of the ILO in Nepal, and of the many informants who shared freely of their knowledge and experience. In all cases informants engaged in a frank, constructive and hopeful manner, reflecting their commitment to Nepal's future under the CPA. Despite the high quality of these inputs, the Review Team is solely responsible for any errors or omissions.

The views expressed in this report belong to the authors, and are not necessarily the views the International Labour Office.

3 Nepal Programme Environment

3.1 Analysis of the Changing Programme Environment for the ILO in Nepal

The programme environment has changed fundamentally since the ILO's draft *Decent Work Country Programme Framework for Nepal* (2006-2007) was presented in April 2006. The DWCP and Bi-Annual Plan were developed when it appeared that Nepal's prolonged and violent conflict would continue, accompanied by high levels of insecurity and social unrest.⁴ Planning documents were based on this assumption and noted the limitations that conflict would place on the ILO's programme options. As paraphrased from the documentation, the assumptions stated:

- The GoN will make slow progress with policy development, legislative reform and programme/service delivery in key areas relevant to the ILO's mandate.
- Participation in public debate and decision-making will be curtailed at all levels.
- The security situation will restrict movement, and the ability of the ILO and its Constituents to work in many parts of Nepal.
- Prolonged conflict will have serious and negative consequences for Nepal's economic growth and sustained poverty reduction.
- Conditions for effective international cooperation be continue to be undermined, leading to a decline in bilateral assistance (ILO 2006b: 4-6).

With the signing of the CPA, informants observed that Nepal shifted from being in a *conflict* to a *transitional* situation, moving towards becoming a post-conflict society. With the changes came new programme assumptions:

- There is an urgent need to consolidate the CPA, allowing Nepal to complete its transition to becoming a *post-conflict* country, while avoiding a relapse into violence.
- There is significant pressure on the GoN to deliver a tangible "peace dividend". While the concept of dividend was not clearly defined, it was understood to mean an improvement in people's daily lives (security and material improvements in daily life and better public services, such as health, education and infrastructure).
- The Government's capacity and financial situation would limit its ability to deliver a dividend. Capacity in civil society was also assessed as limited.

⁴ The 2006 DWCP document notes the most likely scenario as "King remains in overall control of government and military; status quo between the military and the CPN/M; continued economic decline, including reduction of income from remittances and tourism; and curbs on civil liberties continue, including freedom of press (ILO 2006: 16). This analysis was shared by UN agencies and others in the international community, and reflects the analytical consensus found in the literature at that time. It appears few predicted the social movement of April 2006, or changes that the movement would provoke.

- Political space has opened, including for actors and issues that emerged during the 2006 people's movement.

Many issues related to CPA implementation were at the core of the ILO's mandate and competencies. Improvements to the security situation reduced or eliminated many of the restrictions that conflict had placed in the ILO and its Constituents. In particular, there would be greater freedom to physically move throughout Nepal, and to engage in political dialogue. There has been an increase of international assistance in support of the peace process, although some of that assistance is benchmarked to CPA implementation.

The structure of programme options, therefore, opened significantly in 2006. New opportunity was found in the issues related to CPA implementation, political openness, fewer security-related restrictions and a possible increase in donor resources. There were also new constraints emerging from the political volatility of the CPA process and low state and Constituent capacity to deliver on expectations.

With these changes, the objectives and analytical assumptions on which the ILO had based its 2006-2007 programme plans were no longer valid and/or in need of revision and prioritisation. Most international organisations have been required to make adjustments.

The draft 2008-2010 United Nations Development Framework (UNDAF) noted that "the evolving political situation [resulting from the CPA] has determined an adjustment of the initially identified UNDAF priority areas for cooperation... to better support Nepal achieve peace and development for an inclusive society" (UN 2007: 6-7). ILO informants advised that the priorities of Constituents also shifted to focus on the CPA, and related issues.

The documentation review and field interviews revealed the following assumptions about the programme environment will emerge in Nepal:

- The political situation in Nepal will remain unstable over a medium-term period of three to five years.
- There will be an eventual consolidation of the peace process at the political level. However, the transition to a post-conflict situation is not assured. The process will be marked by reversals as well as successes.⁵ A long term perspective (five to ten years) based on overall trends is required, rather than focusing on specific events.
- Re-distribution of power within the political system will threaten interests of important actors, some of whom will as "spoilers" seeking to undermine CPA implementation. Their actions will create instability.
- The policy environment will be characterised by a lack of predictability. It will be difficult for the members of the Interim Government to arrive at consensus

⁵ Subsequent to the field mission, the Interim Government of Nepal decided to postpone the Constituent Assembly Election, which had been scheduled for 22 November. The election was a key CPA benchmark, and slippage had created uncertainty in the overall process. Some bilateral donors had advised the Review Team that any increase in assistance would be benchmarked to achieving CPA commitments, starting with the election.

- positions, given their divergent interests and different positions on key policy issues.
- In this context, the priority will be the survival of the Interim Government. Focus on the political process may detract from progress on political reform and development objectives.
 - State implementation capacity (human and financial resources and execution of capital budget) will remain uneven, particularly moving out from the centre to the state and local levels.
 - The legitimacy of the State, political parties and CPN/M was characterised as low, and the “compact” between political actors and society/ state and society as weak. Important groups in society do not identify with the Nepalese state. Rather, their loyalties are with other forms of social organisation.
 - In addition to the political aspects of the CPA, informants noted the importance of activities related to reconciliation, the demobilisation, disarmament and reintegration of former combatants, reconstruction and recovery, economic development, employment generation and human resource development. All of these activities are complicated by the state’s limited capacity and difficult financial situation.

Some informants stated that the focusing on the CPA and past conflict dynamics was insufficient. Rather, the peace process has already created its own conflict dynamics, as new actors and issues emerge to interact with the old ones. These may be related to, but are independent of the previous conflict dynamics addressed in the CPA:

- Internal conflicts were emerging within the traditional political groups that were party to the CPA, as they adjusted to working in the post-conflict setting. Changes appeared most difficult for the CPN/M, as it made the transition from being a military organisation to becoming an open political party and member of a coalition government.
- Social actors outside of the CPA had high expectation that a “peace dividend” will be delivered over the short-term. Their claim to the dividend was reinforced by the role that the social movement had in provoking political change. However, the Government’s focus on political activity and the state’s limited capacity and resources mean that a tangible/material peace dividend will be difficult to deliver.
- The opening of political space brought new actors and issues into the political process, challenging the domination of the traditional political actors. Informants used the example of protests in the lowland areas over the CPA’s lack of inclusiveness, and traditional grievances over regional autonomy. Their emergence introduces an additional element of uncertainty and expands the concept “peace process”, from technical implementation of the CPA to addressing historical inequalities.

3.2 Recommendations

- The ILO should regularly update its analysis and assumptions about the programme environment in Nepal, to ensure the relevance and effectiveness of its programmes and avoid any negative impact on conflict dynamics. The task of analysis should build on the work of other UN agencies.
- Prior the drafting of the next DWCP, the ILO's *Crisis Response and Reconstruction* programme should identify what resources and assistance it can provide, including in the area of conflict analysis, the concrete application of lessons learned from other ILO programmes in conflict affected environments and results monitoring.

4 Review of Bi-annual Country Programme (2006-07)

The Terms of Reference request a general review to determine in which areas the ILO's collaboration has been more and less effective to the national framework. As noted, the *Decent Work Country Programme* (2006-2007) was presented in April 2006 but not finalised. In the absence of an approved plan or strategy, the review considered:

- The Bi-Annual Work Plan for Nepal
- DWCP activities presented in the draft and under implementation
- How the ILO Nepal has responded to the post- CPA transition, and the strategy, objectives, relationships and activities being pursued.
- Assessed programme performance from the perspective of both monitoring results and Constituent perception.

4.1 Annex One; Performance Factors

4.1.1 Relevance

The relevance of DWCP/Bi-annual Work Plan activities was assessed as **Satisfactory to Moderately Satisfactory**:

- There was a consensus among Constituents that the programmes and services of the ILO were of good quality, and relevant to their needs. No Constituent presented a strong concern to the contrary.
- Activities were generally relevant to the stated programme objectives. No activity appeared inconsistent with the work plan framework or out of context to the situation.
- The work plan itself appeared to reflect the stated priority areas of both ILO and Constituents.
- Areas emphasised by informants included support to Nepal's *National Plan of Action for Decent Work* (NPADW), adoption of international labour standards, the campaign to end bonded child labour and HIV/AIDs in the workplace.

The ILO has shown flexibility to adapting its programme to the needs of Nepal's post-CPA transition. Informants made note of the ILO's emerging work related:

- Labour market reform, youth employment and the reintegration of former combatants. These are related to CPA implementation, in which Constituents asked the ILO to provide technical support to policy development, institutional capacity to support consultation and research processes, as well as convening and facilitating stakeholders.
- As a major initiative, the GoN and ILO signed the implementation agreement in Kathmandu on 9th August 2007 for the *Employment for Peace Building through Local Economic Development*, with financial support from the Netherlands.

Regardless, the DWCP has not been revised and approved since the signing of the CPA. As a result:

- The stated objectives of the draft DWCP and the Bi-annual Work plan may not be relevant to changing circumstances.
- The assumptions and analysis on which those plans were developed may no longer be valid.
- There was no documentary evidence of changes to the programme strategy to guide decision-making and priority setting.
- The ILO programme appeared to be based on individual project agreements with Constituents, but without broader sector or programme agreements in which situate those activities.

The country programme, therefore, is responding to the changing situation and requests of Constituents on an *ad hoc* basis, which has implications for relevance. There is the potential for fragmentation in the programme, including being drawn into activities that may appear relevant, but are not a priority relative to other needs and limited resources.

4.1.2 Partnerships

The strength of the ILO's Partnership was assessed as **Satisfactory to Very Satisfactory:**

- The ILO Country Office is well perceived by its Constituents as well as UN agencies, multilateral organisations and donors, creating a strong enabling environment.
- The ILO was perceived as being highly responsive to Constituent needs.
- Constituents and others appreciate ILO's contribution, based on the quality and professionalism of the services being rendered. No significant criticism of the ILO emerged during the field study in this regard. Favourable comments about both the Country Team and ILO expert staff on short-term missions appeared genuine.
- The ILO has undertaken the appropriate consultations with Constituents to ensure ownership and relevance. This includes responding to Constituent requests and UNDAF development after signing of the CPA.
- ILO activities respond to and are directly related to Constituent priorities and strategies and expectations of the ILO's role appeared regard, usually as technical assistance, policy development or convening and facilitation functions.
- Constituent requests were generally directed at ILO core competencies, such as advising on international labour standards or introducing the ILO's international experience into Nepal's policy discussions.
- There was evidence that the ILO is playing a role in created political space for social actors outside of the formal political process, or trade union movement. As one example, youth employment consultations included a broad spectrum of social organisations, providing them access to a policy forum.

Constituents perceived the ILO as being non-partisan and impartial, and had an expectation that the ILO would act accordingly in its relationships and positions. They stated that the ILO has avoided the appearance of "taking sides" or being aligned with a particular group, and should do so in the future. Constituents also generally understood the ILO's role in relation to the protection and promotion of international labour

standards, and the special responsibilities its mandate implied. In this regard, the ILO appears to have managed its relationships and positioning well.

As a result, Constituents were prepared to accept the ILO as a convener, facilitating interaction between different interests and the exchange of ideas and information. The ILO's convening role in relation to labour market reform and youth employment were cited. This positioning has created an important function for the ILO in the development of policy, particularly in a transitional context where positions on issues such as labour market reform can be polarised.

The Constituents, therefore, were satisfied with ILO Nepal Country Team. Their preference was for the ILO to strengthen its Kathmandu office's capacity. According to the Constituents, ILO's technical assistance would be more effective if a Specialist (in the area of employment, labour market governance encompassing social security and industrial relation) can be based in Nepal for a certain period of time (6 -12 months). This will facilitate and strengthen ILO role, capacity and visibility in Nepal in the present situation.

Several concerns emerged regarding the ILO's partnerships:

- In the absence of an approved strategic framework, it may be difficult for the ILO Nepal to determine which relationships and processes are a priority. The result could be fragmentation, or that the programme becomes spread too thinly across areas that are not necessarily core priorities.
- Conditions in Nepal demand close and ongoing engagement with Constituents. The ILO Country Office has limited human resource capacity to participate in multiple policy and coordination forums, or to take leadership roles. This was equally a concern for relationships with Constituents as it was for ILO integration into the UNDAF.
- There is a reliance on personal relationships, rather than institutional arrangements. While this may reflect the culture of work in Nepal, it also makes the programme vulnerable to personnel changes and interpersonal conflicts.

Regarding policy and operational coherence with the UNDAF, UN informants stated that the ILO was proactive ensuring the integration of its perspectives and programmes into the UNDAF. The ILO:

- Will contribute towards at least seven of the outcomes identified in the UNDAF 2008 2010 results matrix, in the areas of Quality Basic Services, Sustainable Livelihoods, Human Rights, Gender Equality and Social Inclusion.
- Many of the ILO's contributions to the UNDAF are based on existing activities, increasingly the likelihood that the ILO is able to deliver on its commitments.
- The ILO will not contribute directly to UNDAF's outcomes in the area of Consolidating Peace. This positioning could be re-assessed for the next programme period, as many of the ILO's core activities directly relate to implementation.

- UNDP informants expressed an interest in further collaboration with ILO in the area of reintegration (of the DDR) of the ex-combatants.

4.1.3 *Managing for Results*

Monitoring for results was assessed as **Moderately Satisfactory**:

- Project documents reviewed had a results framework with stated indicators.
- The Country Programme is meeting its formal reporting obligations.
- The reports reviewed appeared to be of satisfactory quality, and generating information that is relevant to planning and decision-making.
- Their relevance to planning could be strengthened by placing more emphasis on outcomes, rather than outputs (activities) and narrative.

Regardless, the implementation of an overall monitoring strategy is unclear:

- The Nepal Country Office does not appear to have the human resource capacity to monitor results on a systematic basis, or to integrate lessons learned into decision-making and programme development.
- The movement from three programme objectives to one was motivated institutional pressure and not by change in programme strategy. It does not, therefore, provide a clear strategy against which results can be assessed.
- The programme has evolved in response to the changing context. However, in the absence of a stated strategy indicators may not fully capture the intent and outcomes of activities, as well as effectively identifying where impacts are being generated.
- Statements of outcomes are often broad and lack precision regarding their relevance.

4.1.4 *Efficiency and Adequacy*

Efficiency and adequacy of the ILO's organisational arrangements were assessed as **Moderately Unsatisfactory**.

Conflict-affected programme environments have different requirements than those programmes implemented in more stable development-oriented environments. Some requirements have been documented by ILO's *Crisis Response and Reconstruction* programme, UN agencies, including through the United Nations Development Group (UNDG) and a recent World Bank study.⁶ The ILO has significant institutional experience post-conflict and post-crisis situations, with 46 such countries listed on the ILO site.⁷ Regardless, there was no evidence from the Nepal field study that the ILO has

⁶ World Bank, *Strengthening the World Bank's Rapid Response and Long-Term Engagement in Fragile States*, Operations Policy and Country Services Fragile States Group, March 30 2007

⁷ <http://www.ilo.org/public/english/employment/crisis/areas/interventns.htm>

a *differentiated institutional strategy* for programming conflict-affected countries, or that the relevant forms of institutional support have been provided to the Nepal Country Team. Post-conflict environments tend to be high-risk, management and human resource intensive. Depending on the strategic choices, there may be a requirement for new and/or different human resources and institutional backstopping. However:

- The human and financial resource profile of Nepal Country Office has not changed to meet changing requirements. The staffing profile is oriented towards project implementation and not the kinds of policy or convening roles the ILO is being asked to play. The profile may limit the ability of the ILO to respond effectively to requests. This observation does not question the professional competence of existing staff, but rather asks if overall skills profile of the country team is appropriate to the context.
- The ILO has an accumulated body of best practices and institutional knowledge to support programme development in post-conflict situations. However, the knowledge appeared to be spread across the organisation and not easily accessible to the Nepal Country Team.
- The ILO does not have a differentiated framework for programme development in conflict-affected environments.
- The level and nature of institutional support has not changed to meet requirements for CPA implementation. Rather, the Country Programme must request backstopping/expert support within an inflexible institutional structure, meaning that it is not able to respond to CPA requirements in a timely manner. Informants noted that a lengthy period of advance notice is required by regional or headquarters specialists.

These factors limit the Nepal Country Team's ability to respond to the requirements of the CPA, at a critical moment when the process needs to demonstrate movement and international legitimacy. As an additional concern, the ILO expects that its Nepal office will mobilise resources in the same manner as country programmes implemented in more stable environments. However, the requirement may conflict with the requirements of CPA implementation and divert the ILO Nepal's focus from areas that it can have the greatest impact.

Constituents were asking the ILO to contribute towards the development of several legislative, policy and regulatory initiatives. Being relevant may require the ILO to move "upstream" into policy work, and performance less "downstream" project implementation. The shift appeared to reduce the number of local resource mobilisation opportunities, at least over the short-term. Donors often show reluctance to fund policy and convening activities, and tend to favour concrete projects within their areas of bilateral interest. The ILO does not have bridging funds that would allow the Country Office to make up any resources gaps and stay focused on "upstream" priorities.

4.1.5 Knowledge Management and Sharing

Knowledge Management and Sharing was assessed as **Satisfactory**. The ILO in Nepal is:

- Making good use of its global expertise and knowledge in core areas and ensuring that core knowledge is available to Constituents, where the ILO's institutional conditions permit.
- Trusted and sought out by Constituents as a source of information and expertise on normative and labour market issues, among others.
- Valued by Constituents for its global network of experts, and the quality of the service that the experts provide.

Some areas of concern emerged during the review:

- The Country Office does not have adequate human resources to follow up on all requests.
- There is a high demand for subject matter experts at the regional and headquarters level. However, such experts are not always available in a timely manner from within the ILO system.
- The ILO does not have a robust system for institutional learning on conflict situations, which creates programme risk in countries such as Nepal.
- In some technical areas, Constituents, particularly workers and employers' organizations, expressed an interest to learn more about good practices and/or models in the area of social security that may work well in countries that have similar context to Nepal.

4.2 Annex Two

4.2.1 *Resource Adequacy*

The adequacy of resources was assessed as **moderately satisfactory to moderately unsatisfactory**

- The review did not assess individual project budgets
- The Nepal office has a low core budget, which provides little flexibility for responding to changing circumstances.
- The review could not identify sources of special funding for post-crisis situations from within the ILO system. Some of these could be situated in the *Crisis Response and Reconstruction* programme for allocation to country programmes.

As a result, the programme is largely reliant on project funding. This is a common dilemma for Specialised Agencies and is particularly difficult in post-conflict situations. Considerable energy goes into resource mobilisation and it promotes a "project orientation", which can also be shaped by the interests, priorities and perspectives of bilateral donors. These may not correspond to the priorities of the ILO and its Constituents.

4.2.1 *Delivery of Outputs*

The delivery of outputs was assessed as **Satisfactory**, taking into account the instability of the current situation and difficulty arriving at decisions at the political level:

- The youth employment policy was drafted and awaiting approval of the Cabinet by the end of 2007. Policy development included significant ILO support to the consultation process.
- NPADW is being revised and also will be approved by the Cabinet.
- The *Employment Creation and Peace Building based on Local Economic Development* appeared on track. Again, policy development included ILO support to the consultation process.
- There have been other deliverable that are more difficult to quantify, but which are important. For example, is played a role convening Constituents around policy issues, the ILO may be confidence building in a polarised environment.

4.2.2 Use of Outputs by Partners

The use of outputs by partners was assessed as **Satisfactory**:

- There is evidence of outputs being used by ILO Partners.
- SIYB tool has been well received and used and replicated by other agencies (UNDP) and government.
- The ILO's inputs to key policy initiatives are appreciated and make an important substantive contribution.
- The ILO made a significant contribution to the ratification of C. 169, and is now supporting implementation.

4.2.3 Progress made (against outcome indicators/milestones)

Progress against indicators was assessed as **Satisfactory to Moderately Satisfactory**:

- Progress against indicators is tied to the volatile political situation, and should be approached accordingly.
- At the time of the review, only one 2007 milestone has been achieved (capacity building related to labour market reform – Rapid labour market assessment and LFS will take place in 2008)
- Others outputs are likely to be achieved if there is continuity in the political climate.

4.2.4 Emerging Risk and Opportunity

The ILO's management of Emerging Opportunity was assessed as **Moderately Satisfactory**. The management of Emerging Risk was assessed as **Moderately Unsatisfactory**.

As indicated in other sections, there is clear evidence that the ILO is responding to changing conditions. However, it is limited by resources and the absence of a strategic framework and resources. Risk is associated with implementation challenges in a low-capacity environment and political uncertainty. Some individual activities have risk mitigation strategies. These are well understood to individual ILO personnel. However:

- There did appear to be a risk mitigation strategy for the overall country programme.

- Assumptions underlying the programme need to be clarified and monitored as part of the country strategy before risk mitigation can be designed.
- An assessment of risk should include: i) risk of the Nepal context to the programme; (ii) the impact that the programme might have on conflict dynamics (positive and negative), as well as: (iii) reputation risk to the ILO if the organisation does not position itself well in a polarised political environment, or does not deliver on commitments to its Constituents or the UNDAF.

4.3 Recommendations

- The existing Country Plan results matrix should be updated before the end of 2007, to ensure that all activities are included and that all deliverables are considered. This should include less tangible deliverables, such as may emerge from convening policy dialogue processes.
- A special fund to support programming in post-conflict environments could be situated in the ILO's *Crisis Response and Reconstruction* programme, or other appropriate department. The Fund would provide flexible and rapidly allocated resources to meeting resource gaps in transitional situations such as Nepal.

5 Future Programme Options

5.1 The Changing Programme Response

The Terms of Reference for the BCPR call for a summary of major issues facing the ILO country programme in the future. As noted, objectives and assumptions from the pre-CPA work plans may no longer be valid. Three principles for future programme development were observed during the field mission:

- There are important *opportunities* for the ILO to contribute towards consolidation of the CPA. Many CPA objectives and related issues fall within the ILO's mandate, normative responsibilities and, in some cases, the DWCP framework.
- The ILO's *programme in Nepal should be differentiated from programmes in well-performing environments*, in terms of its objectives, how the ILO positions its activities ("upstream" or "downstream"), planning and resource frameworks, as well as the ILO's expectations and definitions of success.
- Positioning refers not only to a re-orientation of the programme at the country level (strategic framework and programme content), but also *how the ILO as an institution allocates support to the Nepal office*, and the composition and timeliness of that support.

5.1.1 New Programme Opportunities

The review identified several high-impact programme opportunities within the CPA process, the Government of Nepal's three-year interim strategy and the UNDAF. Among these, but in order of importance, are:⁸

Transfer of international labour standard into the emerging policy and legislative discussion. In particular, the ILO is well-placed to support implementation of Convention 169, which is important to addressing issues of discrimination and inequality at the centre of social movement's concerns.

Technical support to policy development and social dialogue in at least three areas:

- *Labour Market Reform* Constituents asked the ILO to provide technical assistance on drafting of legislation. Discussion included the issue of *Labour Market Flexibility* and the design of a Nepal model that could combine flexibility with social protections. Strengthening the *industrial relations* system was also noted as potentially having a beneficial impact on the peace process, including by bringing the Maoist Union into the dialogue.
- *Employment generation* under the local economic framework, which could be the framework underpinning the work of the ILO in support of the "Reintegration" element of DDR.

⁸ This list is not intended to be comprehensive or presented in order of priority. It should be verified through the programme development process.

- *Youth Employment* and development and implementation of the *National Action Plans*, noting Nepal's demographic profile and both the importance and political volatility of high youth unemployment.
- *Support to implementation of C. 169*, as this will address the rights of indigenous groups and social conflicts which are one of the root causes of the political conflict.

When approaching these three issues, the ILO also should note:

- The emphasis placed that labour unions and social groups place on employment and livelihood related issues, as these relate to ending social inclusion for marginalised sectors of Nepalese society.
- The importance also placed on *convening and facilitating* roles on issues related to the CPA. Constituents are asking the ILO to play these roles based on its proven record as an impartial international organisation. These are important but high-risk initiatives in the polarised Nepalese context.

5.1.2 Focusing on “Upstream” Activities

The review processes that the next multi-year programme work plan for Nepal focus around three objectives:

- Implementation of the 2006 Comprehensive Peace Agreements, and support to related processes.
- Development and implementation of the Government's three-year interim plan, which integrates many requirements of the peace process.
- Creating opportunity for broad inclusion of ILO Constituents and social groups in CPA implementation and related policy development. This included ensuring that proposals from ILO Constituents are channelled into policy/legislative/regulatory development.

Conditions in the programme environment, requests from Constituents and the ILO's core competencies combine to give the ILO office in Nepal an advantage in “upstream” activities. These are policy development, technical assistance and convening roles in areas where the ILO's mandate and the national processes converge to create high-value contributions. The list of potential areas of intervention was presented in Section 4.2. The ILO would need to identify a limited number of policy development and implementation priorities where it can focus the organisation's limited resources.

To the extent possible, the ILO's planning framework in Nepal should align with the implementation of the accords, the Government's three-year interim development plan and the UNDAF. To the extent possible, the ILO should avoid “downstream” activities related to project implementation, where impacts tend to be localised and the ILO has no particular advantage. These may divert resources from higher impact activities. The ILO might consider project implementation when these are:

- Directly linked to the development and implementation of policy, such as pilot projects

- Have the potential to be scaled up as services

The ILO should consider opportunities for policy and dialogue interventions with other international stakeholders. As one example, the Asia Development Bank (ADB) and the World Bank are important providers of technical assistance and financing to the GoN. In this regard, they also play a role in defining the development options and orientation of the government as well as funding. Several programmes being implemented by multilateral agencies fell within the ILO's mandate and areas of competence. The ILO may consider participation in the Governance structure of related projects. Participation would mean that the ILO should not accept to implement projects funded by these instruments to avoid a conflict of interest, real or perceived.

5.1.3 Enabling Conditions: Human Resources

Policy and dialogue processes are human resource intensive:

- Participation in policy development will involve analysis, knowledge brokering within the ILO system, various forms of technical support and capacity development.
- Participation processes of dialogue and convening and facilitating roles also involve highly specific skills, technical, analytical and political.
- The skill set required focuses on sectoral expertise (policy) as well as the political, analytical and process skills needed to convene stakeholders.

A robust field presence is essential in low-capacity and politically volatile situations. Ongoing analysis of the situation on the ground, and capacity needed for ongoing dialogue with stakeholders, coordination, programme management and evaluation and monitoring. There is a requirement for:

- A robust field presence and staff with detailed knowledge of country circumstances.
- Enhanced supervision and management capacity, critical to achieving development results.
- A human resource profile that is appropriate to field conditions and programme objectives. The profile should be reviewed on an ongoing basis, to ensure the relevance for sensitive policy development, dialogue, convening, technical assistance and analytical requirements. Project management capacity/skills which characterise stable environments are often less appropriate for these roles.

Moving “upstream”, therefore, would require:

- Ensuring that the Nepal Country office has the appropriate human resource capacity and profile.
- Additional core resources to personnel on a bridging basis, in the event that personnel are not attached to specific income generating projects.

5.1.4 *Enabling Conditions: Dedicated Institutional Support*

The review noted that the Nepal country programme was not given any particular priority in relation to institutional resources, either in terms of financial support or access to technical support. The lack of support affected the ability of the country office to respond in a timely manner.

Improving the effectiveness of the ILO's programme, therefore, is also a matter of defining the institutional response. There was no evidence that the ILO has a programme response that is differentiated from its other working environments. The review was aware of the ILO's *Crisis Response and Reconstruction Programme*. While these appeared relevant, there was no evidence of specific support to the Nepal programme, that resources or knowledge were being used, or were easily available.

As programme principles, the ILO should have an institutional policy on working conflict-affected situations, which provides specific forms of support. High risk programmes should have priority call on institutional resources, particularly management support and technical expertise, to ensure quick response to the changing context.

In addition, more core resources should be available to support activities in conflict-affected environments which have low potential for resource mobilisation. For example, donors are often reluctant to fund "upstream" activities, preferring more tangible projects. In some contexts, accepting resources may undermine the ILO's credibility as an impartial intervener. A resource mobilisation focus may also distract from capacity from higher priority activities.

5.2 Recommendations

- The next Nepal Country Plan should focus on supporting implementation of the CPA as its first priority, consistent with the objectives of ILO Constituents and the UNDAF.
- The ILO Nepal should focus on "upstream" interventions, related the development and implementation of policy in the areas of labour market reform, employment and livelihood generation and youth.
- There is an also opportunity for the ILO to play a role convening related processes of social dialogue, and capacity development for all Constituents.
- The ILO Nepal should avoid project implementation, unless it is directly related to upstream interventions, as pilots for scale up, policy research or otherwise.
- The human and financial resource profile of the Nepal Country Office should be revised to ensure that it has the capacity needed to play policy development, technical assistance, analytical, capacity development and convening roles.
- The ILO should review its institutional framework for working in post-conflict/crisis situations. In particular, Country Programmes such as Nepal require support that is differentiated from what the ILO provides in stable environments.

Annex A: Requirements of Working in Post-Crisis Situations

Programmes implemented in conflict-affected environments require strategies, human and financial resource profiles and institutional support that are differentiated from programmes in “development” environments. The following are sources on lessons learned:

- Materials from the *ILO Crisis Response and Reconstruction Programme*, noting the three integrated pillars of *country interventions, strategic partnerships and capacity building*.⁹
- Recent research done by the *United Nations Development Group*, including on post-crisis transition.¹⁰
- *Strengthening the World Bank’s Rapid Response and Long-Term Engagement in Fragile States, Operations Policy and Country Services Fragile States Group*, (World Bank 2007).
- The Development Assistance Committee (OECD)’s *Fragile States: Policy Commitments and Principles for Good International Engagement in Fragile States and Situations* (DAC 2007).¹¹
- Scanteam, *Review of Post-Crisis Multi-Donor Trust Funds; Final Report*, February 2007.¹²

⁹ <http://www.ilo.ch/public/english/employment/crisis/about/index.htm>

¹⁰ <http://www.undg.org/index.cfm?P=6>

¹¹ http://www.oecd.org/departement/0,3355,en_2649_33693550_1_1_1_1_1,00.html

¹² <http://www.scanteam.no/reports/2007/Mutli-Donor%20Trust%20Funds%20Review%20-%20Report.pdf>

Annex B: Terms of Reference

Terms of reference

Biennial country programme review (BCPR), Nepal, August 2007

1) Introduction

The ILO evaluation policy adopted by the November 2005 GB set out the Office's commitment to more systematic use of internal and self evaluation and improved internal capacity and skills in self evaluation methodologies. The responsibility for conducting the self evaluation, including internal reviews, has been delegated to line managers but in compliance with ILO policies and the technical support and oversight from EVAL. The ILO's 2005 annual evaluation report to the November 2006 GB further committed the Office to testing methodologies for biennial country programme reviews (BCPR) during 2006-07.

The BCPR constitutes an additional level of effort above what is required for the DWCP progress reporting. They are to be carried out with the participation of ILO Constituents and other UN and national partners, as appropriate. They enable ILO and its Constituents and other agencies to review the ILO's performance in delivering planned outputs and supporting the achievement of outcomes.

The BCPR will cover all interventions planned and carried out under the Decent Work Country Programme during 2006-2007 for each country as part of a stock taking exercise. The review, however, will be a primary means of providing feedback on how the DWCP can be designed and implemented for the coming period. Another major use will be to improve the evaluability of each DWCP through close attention to the results matrices, baselines, indicators and targets. The reviews will be coordinated by the Regional Office in consultation with the ILO Kathmandu Office. The SRO Delhi will also be closely consulted and relevant staff will be asked for input.

2) Background and Context

ILO Kathmandu, in the beginning of Programme and Budget 2006-07, drafted a Decent Work Country Programme as an internal document. A detailed implementation plan, including outcomes, outputs and resources for the biennium, was a part of the document. The implementation plan enabled the Office to organise its work towards the goal of decent work.

The Government of Nepal has recently developed its Three- year Interim Plan (2007/08 – 2009/10) and the new UNDAF (2008-2010) has also been finalised. This is the right time for the ILO to prepare its Decent Work Country Programme Document. The Office plans to prepare the document by the end of 2007. It was thus proposed that the biennial country programme review be conducted so that it can provide necessary inputs and feedbacks to the preparation of the DWCP document.

RO-Bangkok has prepared the draft terms of reference in consultation with ILO Kathmandu Office, HQ, SRO- Delhi. They will be submitted to tripartite Constituents for discussion in order to develop a proposal that is agreeable to all partners.

Brief socio-political and economic context The Nepalese economy has been hobbled by the long-running insurgency and political instability. Following nationwide demonstrations, the political developments moved rapidly when the parliamentary government was restored in late April 2006. A few days later a ceasefire was declared by the Maoist insurgents. Subsequently in November 2006, a comprehensive peace agreement was signed that officially ended the 11-year armed insurgency. In January 2007, the parliament approved an interim constitution that has been effective until a constituent assembly, which will be held in November 2007, after having been postponed from June, approves a new constitution.

Currently, the government has suffered a large fiscal deficit, when tax revenue collection is far below the expenditures. With a slump in economic situation and a vanishing job opportunity in all sectors, people have been migrating for employment abroad in a record number. According to the Ministry of Labour, around 764 workers leave the country for foreign employment every day through formal channels, not to mention

the unrecorded number of people leaving for employment in India. More than a million of Nepalese are currently working abroad and sending home the remittances of US\$ 1.2 billion a year. This has greatly contributed to a reduction in poverty incidence in Nepal, which has declined from 42 percent in 1995/96 to 31 percent in 2003/04. The remittances by the Nepalese workforce employed overseas will thus remain an important source of income and economic growth.

Despite the promise of peace and a transition to a more productive economy, many challenges and difficult issues remain. Creation of employment opportunities for ever-increasing population has posed a major challenge for Nepal's poverty reduction. Underemployment is estimated to be very high. Young people make up the majority of the working poor in Nepal and the vast majority of the youth (83.5%) lives in rural areas, and is usually employed in the subsistence informal sector.

National Plan of Action for Decent Work (NPADW)

The Ministry of Labour and Management (MoLTM), on behalf of the Government of Nepal, has formulated a five-year National Plan of Action for Decent work (NPADW) 2005-2009. However, the Cabinet has not yet approved nor allocated budget for implementation due to a political instability. Currently with the establishment of the interim Government, the MoLTM is updating the NPADW, in collaboration with ILO Kathmandu.

Decent Work Country Programmes

To support the implementation of the NPADW, the ILO Kathmandu in consultation with its tripartite Constituents drafted its Decent Work Country Programme (DWCP) for 2006-2007 as its internal document at the beginning of 2006 to organize its work towards the goal of decent work.

In view of the recent rapid political development and in line with the preparation of the three-year interim government plan as well as UNDAF, the DWCP priority areas has been reduced from three to one – Decent Jobs for Peace Building in Nepal. The outcome of this priority is defined as 'Women, youth and socially excluded groups will have increased opportunities for productive employment and better social protection services.'

The DWCP main strategy is to build national and local capacities for generating productive and decent employment. It will also address (1) improvement of the existing labour market information system; (2) diversification of policies and programmes for employment creation and income generation, especially for youth and socially excluded people; (3) protection of labour migration; (4) extension of social protection to the informal economy. Gender and social dialogue are cross-cutting issues.

International Labour Standards

Nepal has ratified nine Conventions, of which six are Fundamental Conventions. The proposal for ratification of Convention Nos. 105 and 169 have already tabled at the Cabinet. Ratification for Convention No.89 is in the process.

3) Purpose

BCPR focuses on the outcomes and guiding strategies of the ILO biennial country programme to identify where and how improvements can be made. They enable Constituents and ILO staff to apply the concepts and practice of results-based management in country programme, and enhance national ownership of the review process.

The review will consider areas in which the ILO's collaboration has been more and less effective to the national framework, to inform on what should be pursued in the future, and where improvements can be made. This will include reinforcement or changes in priorities, strategies, and organizational practices. The review is also intended to provide a basis for improved insights within the Office as to how to better design, implement, monitor and assess country programmes in the future. Therefore the main purposes of the BCPR are two folds: -

1. to conduct a general review of ILO's biennium programme in Nepal

2. to recommend strategies for the formulation of DWCP in Nepal

4) Client

The principal clients for the BCPR are the ILO Kathmandu, RO Bangkok, SRO Delhi, ILO HQ, the national Constituents and national implementing partners, all of which support national efforts within the national development framework. Clients will share responsibility for deciding on follow up to the findings and recommendations of the review.

5) Scope

The review will cover all ILO programmes in Nepal over the two-year implementation period. The focus will be on programmes that were part of the internal DWCP document. The scope of the timeframe proposed for the review is thus Jan. 2006 to present.

The review scope has two main components. The first involves a review of the appropriateness and adequacy of DWCP design, outreach/partnership and implementation performance. The key criteria are 1) the relevance, coherence and comparative advantage of the ILO in the country; 2) partnership, strategies and inter-agency relations; 3) managing for results; 4) the efficiency and adequacy of ILO organizational arrangements; and 5) Knowledge management and sharing. The detailed content of this component is clarified through the questions provided in Annex 1.

The second component of the BCPR is an operational assessment to report on progress being made on tangible outcomes directly resulting from ILO contributions. Key criteria for the review are: 1) adequacy of resources; 2) delivery of outputs; 3) use of outputs by partners; 4) progress made towards outcomes; and 5) emerging risks and opportunities.

7) Proposed Methodology

The BCPR exercise is a participatory assessment of current practice. The level of effort devoted to individual country programmes should reflect the scale of ILO activities. However, the review should take a minimum amount of ILO staff time in involving in the actual review process (maximum one week).

When conducting the review, in addition to the Office (headquarters and field), the tripartite Constituents as well as other parties involved in the country programme and targeted for making use of the ILO's support will be asked to contribute and participate.

The BCPR methodology will comprise an extensive desk review of relevant documentation. It also includes an in-country mission of the review team for information gathering. The process includes a series of meetings/interview between the review team and the government, workers' and employers' organization, other UN agencies, major donors and national partners, as appropriate. A stakeholder workshop may be organized as a platform for relevant internal and external colleagues to analyse and discuss the ILO's work in the country.

An external facilitator will be hired to facilitate the review process. The external facilitator will draft the review report based on the inputs from members of the review team and relevant stakeholders.

The proposed review team will consist of: - an external facilitator, an ILO staff from RO-Bangkok, and a specialist from SRO Delhi. In addition, ILO staff in Kathmandu and other SRO Delhi specialists will be asked to contribute to the exercise, including through participation in a self-evaluation of the same criteria to be covered by the review team.

Preparation

- 1) ILO Kathmandu Office should compile relevant documents and prepare

- summary performance profiles for each outcome – not to exceed one page with information that corresponds to assessment criteria. A summary of outcomes' performance profile should be prepared by outcome according to the assessment criteria provided in table 2 of annex 2.
- Up to dated total allocation and expenditure 2006-2007 by outcomes
- Summary of relevant countries' policies e.g. employment, youth, migration, education, social security, labour protection etc.
- Other relevant background information includes recent project level progress reports, project evaluations, as well as evidence of major outputs and other performance related information.

All the above information and the summary performance profiles for each outcome should be sent to the review team **at least two weeks prior** to the planned actual review period.

- 2) ILO Kathmandu to arrange an itinerary for a review team to have a meeting/interview as appropriate with the following (**as appropriate**) during the review mission: -
 - ILO Kathmandu Director and its staff (including project staff)
 - Government (Ministry of Labour, Ministry of Planning etc.)
 - Workers' organisation
 - Employers' organisation
 - Other UN agencies e.g. UNDP
 - Major donors
 - Other key partners
- 3) Arrange a stakeholder workshop where relevant internal and external colleagues and stakeholders can analyse and discuss the ILO's work in the country (also for the review team to share the preliminary findings if applicable).

Actual review

The external facilitator will facilitate group meeting/discussions (e.g. internal ILO staff, tripartite Constituents, UN agencies, and donors) and finally facilitate the stakeholders' workshops

8) Outputs

- Based on the issues raised and feedback provided from ILO staff and partners, the BCPR consultant should summarize the conclusions of the workshop and their analysis in a report using the BCPR template based on the scoring categories (see Annex 2).
- In addition, the report should provide summary findings for each DWCP outcome based document reviews and on ILO and partners comments. Each outcome should be scored against key performance categories, using the multi-point scoring matrix (see Annex 2).
- A final section of the report should highlight overall conclusions and recommendations and recapping major issues for the future. The recommendations should also provide strategies for the formulation of the ILO DWCP document.
- A draft report should be shared with ILO staff and their partners, who can react to the findings and issues raised, and plan next steps to address these.

9) Provisional work plan and schedule *(to be made more specific in consultation with ILO Kathmandu)*

This timetable is based on the scope of work and methodology set out above, and resources available for the review.

Proposed Time Table:

Task	Time frame	Responsible Unit/ person	Consultations
1. Draft TORs prepared	June 2007	RO	EVAL
2. Identification of external facilitator	July 2007	RO	EVAL/ SRO/ Country office
3. Internal and external consultations to finalize terms of reference	Early Aug 2007	ILO Kathmandu	SRO Delhi, National stakeholders
4. Preparation of background document and summary performance profiles by outcomes	Mid Aug 2007	ILO Kathmandu	SRO Delhi
5. An itinerary scheduled for the review team to get inputs from national stakeholders (government, workers and employers' organization, UN agencies etc.), and SROs	Early Aug 2007	ILO Kathmandu	RO
6. Documents reviewed by the review team	Mid – end Aug 2007	Consultant/ Review team	Documents should be shared with national stakeholders
7. Field mission to country - meeting/ interview with stakeholders - stakeholders workshop	[5 days] <i>Sep 3-6, 2007</i> <i>Sep. 7</i>	Review team	National tripartite stakeholders, national partners, UN agencies
8. Draft BCPR report	3 day	Consultant	
9. Consultations with Constituents and other stakeholders on the draft report, as appropriate	End Sept.	ILO Kathmandu	SROs/ RO/ EVAL
10. Finalise BCPR report.	1 day	Consultant/ RO	

10) Resource

RO will finance the BCPR exercise including the excol contract for the external facilitator.

Annex 1: Performance factors and related questions

Performance factors and related questions
A. The relevance, coherence and comparative advantage of the ILO in the country

- Is the ILO's work directly supporting national partners to address priorities for decent work in the country?
- Is the ILO addressing priorities consistent with the current capacities and expertise available for the country?
- Is there coherence and an integrated approach to the DWCP strategy? (not relevant as there is no DWCP)
- Is the ILO flexible and responsive to changes as warranted?
-

B. Partnership, strategies and inter-agency relations

- Does the ILO maintain good relations with national Constituents? Are roles and expectations well understood and managed?
- Is there good policy and operational coherence between ILO action and UNDAF?
- Does the ILO work with the Constituents within the context of a larger national effort, contributing where they have voice, interest and comparative advantage?
- Do national Constituents support the strategies and take responsibility for ensuring the expected outcomes of the collaboration as spelled out in the DWCP?
- Does the ILO's support address capacity gaps and open entry points for Constituents' involvement?
- Is there a clear vision and strategy with main means of action for delivery of ILO support that is understood by all partners?

C. Managing for results

- Has the programme defined clear outcome-level results against which it can be assessed?
- Is there clarity and agreement on how results will be documented and verified—indicators with targets/milestones set and being applied?
- Do the intended outcomes justify the resources being spent?
- Are there exit strategies to ensure that results are sustainable by partner institutions and at various levels (local, national, regional)?

D. The efficiency and adequacy of ILO organizational arrangements

- Do the operations of the ILO match the DWCP plan?
- Is the ILO operating fairly and with integrity?
- Are credible, skilled specialists adequately supporting the work?
- Is resource mobilization being carried out effectively and efficiently?
- Are work processes efficient and timely?

E. Knowledge management and sharing

- How effectively is performance being monitored and reported?
- Is information being shared and readily accessible to national partners?
- Is the ILO using/strengthening national knowledge networks and knowledge bases?

Annex 2

Based on the issues raised and feedback provided from ILO staff and partners, the BCPR consultant should summarize the conclusions of the workshop and their analysis in a report using the BCPR template (see table 1 and 2) based on the following scoring categories:

1	2	3	4	5	6
Very unsatisfactory	Unsatisfactory	Moderately unsatisfactory	Moderately satisfactory	Satisfactory	Very satisfactory

Annex C: Documents Reviewed

Adhikary, Dr Poorna K., *Nepal National Plan of Action for Decent Work*, Report Submitted to the ILO Nepal (undated)

Asia Development Bank, *Country Operations Plan for Nepal; 2008- 2010*, ADB, 2007
Development Assistance Committee (OECD), *Fragile States: Policy Commitments and Principles for Good International Engagement in Fragile States and Situations*, DCD/DAC (2007) 29, DAC High Level Meeting, 3-4 April 2007

Development Assistance Committee (OECD), *Policy Commitment to Improve Development Effectiveness in Fragile States*, DCD/DAC (2006)62

Government of Nepal, *Three-Year Interim Plan; Approach Paper*, July 2007
International Crisis Group, *Nepal's Maoists; Purists or Pragmatists*, Asia Report No. 132, 18 May 2007

International Crisis Group, *Nepal's Peace Agreement; Making it Work*, Asia Report No. 126, 15 December 2006

International Labour Organisation, *Evaluation Guidance, Biennial Country Programme Reviews*, Evaluation Unit, January 2007

International Labour Organisation, *Project Document; Employment Creation and Peace Building based on Local Economic Development (EmPLED)*, March 2007

International Labour Organisation, *DWCP Monitoring Plan; Nepal*, 23 November 2006a

International Labour Organisation, Nepal, *Decent Work Country Programme Framework, 2006-2007*, April, 2006b

International Labour Organisation, *DWCP: Nepal; DWCP Monitoring Plan*, 10 October 2006c

International Labour Organisation, *DWCP Progress Report; Assessment of status of outputs against the planned work plan, January 2006- December 2006*, December 2006d
Rodgers, Gerry, *Labour Market Flexibility and Decent Work*, DESA Working Paper No. 47, July 2007

Scanteam, *Review of Post-Crisis Multi-Donor Trust Funds; Final Report*, February 2007
United Nations, *Report of the Secretary General on the request of Nepal for United Nations assistance in support of its peace process*, 18 July 2007, S/2007/442

United Nations, *Report of the Secretary General on the request of Nepal for United Nations assistance in support of its peace process*, 27 April 2007, S/2007/235

United Nations OCHA, *Interagency Thematic Report; Compiled by OCHA Nepal*, Issue No. 2, 18 July 2007

Annex D: List of Informants

List of people interviewed/ discussed

	Name	Title	Office
1	Mr. Bishnu Prasad Lamsal	Joint Secretary	Ministry of Labour and Transport Management
2	Mr. Prajwal Sharma Aryal	Under Secretary	Ministry of Labour and Transport Management
3	Mr. Subarna Lal Shrestha	Joint Secretary	National Planning Commission Secretariat
4	Mr. Shengjie Li	Director	ILO Kathmandu
5	Ms. Nita Neupane	Programme Officer	ILO Kathmandu
6	Mr. Solomon Rajbanshi	Programme Officer	ILO Kathmandu
7	Mr. Rjendra Mulmi	President	Association of Youth Organizations Nepal (AYON)
8	Mr. Sudyumna Dahal	General Secretary	Association of Youth Organizations Nepal (AYON)
9	Mr. Suleiman Braimoh	Regional Chief of Programme Planning	UNICEF Regional Office for South Asia
10	Mr. Arun Dhoj Adhikary	Coordinator, UNDP Field Offices Head	Pro-Poor Policy and Sustainable Livelihood Unit, UNDP
11	Ms. Nabita Shrestha	Private Sector Analyst	Pro-Poor Policy and Sustainable Livelihood Unit, UNDP
12	Mr. Roshan Darshan Bajracharya	Senior Economist	The World Bank
13	Mr. Matthew Greenslade	Economic Adviser/ Team Lead – Inclusive Growth	Department for International Development (DFID) Nepal
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16	Mr. Jorg Frieden	Senior Advisor	United Nations Mission in Nepal (UNMIN)
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20	Mr. Babu Ram Acharya	Acting Secretary	Ministry of Land Reform
21	Mr. Ramesh Badal	Secretary	Department of Labour Relation, General Federation of Nepalese Trade Unions (GEFONT)
22	Mr. Jitendra Jonchhe	Secretary	Department of Finance, General Federation of Nepalese Trade Unions (GEFONT)
23	Mr. Binod Shrestha		General Federation of Nepalese Trade Unions (GEFONT)
24	Mr. Arun Timilsina	Focal Point	Nepal Trade Union Congress (NTUC)
25	Mr. Megh Nath Neupane	Acting Director General	Federation of Nepalese Chambers of Commerce & Industry (FNCCI)
26	Mr. Hansa Ram Pandey	Deputy Director	Employers' Activities & Industrial Relations FNCCI
27	Ms. Archana Singh	National Project coordinator	ILO Kathmandu
28	Mr.	National Chief Technical Adviser	ILO Kathmandu
29	Mr.	National Project Coordinator	ILO Kathmandu
30	Mr. Einar Rystad	Counsellor	Norwegian Embassy
31	Suleiman Bramimoh	Regional Programme Coordinator	UNICEF
32	Matrika Prasad Maraseni	Undersecretary	Ministry of Law, Justice and Parliamentary Affairs
33	Laksham Pun	Micro Enterprise Development Programme	UNDP